

OGC HAS REVIEWED.

28 August 1969

MEMORANDUM FOR: Legislative Counsel
THROUGH : DD/Pers/SP
FROM : Northwest Federal Credit Union
SUBJECT : Federal Tax Withholding on Dividend and Interest

Information has been received by the Northwest Federal Credit Union through financial circles and publications (D.C. League News-18 August 1969) that Senator Edward M. Kennedy served formal notice that he will propose an amendment to the tax reform bill to require financial institutions to withhold federal income tax on interest and dividends credited to savings accounts.

Financial institutions are now required to file an information return (1099) with the Treasury Department on an annual basis. The Northwest Federal Credit Union does not submit complete returns on all of its members through an arrangement with the Internal Revenue Service. (Ref: OGC 63-2704; OGC 64-0027; OGC 64-3535)

Should the above amendment become law as part of the tax reform bill--we may be required to re-study our commitments to the membership and Agency regarding disclosure of information on certain accounts.

Follow-up information on the progress of the amendment will be most helpful in our planning.

The cooperation, guidance, and counsel of your office will be most welcome and appreciated.

KW:kn



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69-0746

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ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Federal Tax Withholding on Dividend and Interest

FROM:

Gen. Man.
1 J 33
Hqs.

EXTENSION

x7345

NO.

DATE

28 August 1969

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. DD/Pers/SP
5 E 67

29 AUG 1969

2. Legislative Counsel
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Approved For Release 2001/08/28 : CIA-RDP71B00364R000500440004

FORM 3-62

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USE PREVIOUS EDITIONS

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Copy to [redacted]
(O6C) FYI - [redacted]
If this comes to pass would
withholding on the new type
of securities that could not be
handled by existing existing
1099 arrangement?
Lyle
4 Sept. [redacted]
Orally responded
above that if this leg
gets involved appropriate
measures safeguarding CIA
interest could be worked out
with IRS and that he would
next movement meeting.
AM

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2. Legislative Counsel 7 D 43			gmc
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Copy to [redacted]
(OBC) (FYI - advice -

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